

Schedule 2 TOTAL STATE SPENDING PLAN

This Schedule is included for informational purposes to show in one place the expenditures of all funds which are accounted for by the State.

A basic premise in a consolidation such as this is that the State is the financial unit and individual funds are subsidiary units to the State. This is similar to financial units in the private sector in which diversified commercial corporations with several subsidiaries report their operation on a consolidated basis—but is a contrast to traditional governmental accounting, which has held that the individual funds are the financial units and should not be consolidated with other funds or types of funds. A total consolidation presents both theoretical and practical problems because of the individual nature of each fund. In essence, each fund is a separate fiscal and legal entity that operates under the specific legal provisions that created it. Examples of problems which may arise from an unqualified consolidation are: (1) funds are accounted for in a different manner, (2) duplication of expenditures result, (3) expenditures from non-state funds are included, and (4) expenditures are included for quasi-state operations such as Workers' Compensation and for payment of retirement benefits for other governmental units.

In order to minimize misinterpretations, this Schedule is displayed in three parts. Part A summarizes those expenditures from funds traditionally included in budget totals; Part B summarizes expenditures from the other funds which are collectively identified as nongovernmental cost funds. Reimbursements received from the public or other levels of government are deducted from State expenditures, Part C summarizes these reimbursement expenditures.

TOTAL STATE SPENDING PLAN—PART A GOVERNMENTAL COST, SELECTED BOND FUNDS, AND FEDERAL FUNDS

As stated above, Part A summarizes expenditures from funds which are traditionally included as part of State expenditure summaries in the Governor's Budget and other State financial reports. The major portion of the expenditures shown in Part A is for the General Fund and the various special funds, which are commonly referred to as "governmental cost funds". This term is used because these funds are used to account for moneys which are derived from general and special taxes, licenses, fees, or other revenue sources to provide financing for State activities which are for the general purposes of State government.

The selected bond funds are included in Part A because of the historical legislative interest in showing these expenditures in budget totals. It should be noted that there is a duplication in showing these expenditure amounts from bond proceeds because the expenditures are included both when bond proceeds are spent and when debt service is paid.

The Federal funds have also been included in Part A because of increasing interest in the level of the State's expenditure of Federal funds. The detail of expenditures by department for the General Fund, special funds, selected bond funds and Federal funds is shown in Schedule 9.

Fund Type	1997-98* State Spending	1998-99* State Spending	1999-00* State Spending
GOVERNMENTAL COST FUNDS			
GENERAL FUND	52,874,377	58,270,649	60,474,709
SPECIAL FUNDS	14,201,814	14,930,402	15,741,326
SELECTED BOND FUNDS	1,451,903	5,062,237	1,295,087
*TOTAL FUND CLASSIFICATION GOVERNMENTAL COST FUNDS	<u>\$68,528,094</u>	<u>\$78,263,288</u>	<u>\$77,511,122</u>
NONGOVERNMENTAL COST FUNDS			
PUBLIC SERVICE ENTERPRISE FUNDS	\$4,663,856	\$4,739,572	\$4,891,662
WORKING CAPITAL AND REVOLVING FUNDS	830,043	1,136,756	1,317,306
BOND FUNDS--OTHER	16,645	33,764	32,954
RETIREMENT FUNDS	7,950,799	8,659,128	9,436,731
OTHER NONGOVERNMENTAL COST FUNDS	21,604,749	21,539,077	22,743,462
*TOTAL FUND CLASSIFICATION NONGOVERNMENTAL COST FUNDS	<u>\$35,066,092</u>	<u>\$36,108,297</u>	<u>\$38,422,115</u>
FEDERAL FUNDS			
FEDERAL FUNDS	\$31,648,692	\$35,861,980	\$36,978,976
*TOTAL FUND CLASSIFICATION FEDERAL FUNDS	<u>\$31,648,692</u>	<u>\$35,861,980</u>	<u>\$36,978,976</u>
TOTAL	<u>\$135,242,878</u>	<u>\$150,233,565</u>	<u>\$152,912,213</u>

Total State Spending Plan—Part B Nongovernmental Cost Funds

Nongovernmental cost funds are used to account for moneys which are derived from sources other than general or special taxes, licenses, fees, or other State revenues. Although Federal funds and bond funds are classified as nongovernmental costs funds, they are included in Part A for reasons cited therein. The nongovernmental cost funds shown in Part B are segregated into the following classifications.

PUBLIC SERVICE ENTERPRISE FUNDS

Public Service Enterprise Funds are used to account for the transactions of self-supporting enterprises which render services for a charge primarily to the general public.

Activities which are accounted through Public Service Enterprise Funds include toll bridges, harbor facilities, disability insurance, college housing, and veterans farm and home loan financing. Bond funds and sinking funds related to a public service enterprise are included in this classification.

Public Service Enterprise Funds differ from Working Capital and Revolving Funds in that, in the latter, fees for services rendered are largely from other State agencies or local governments.

It should be noted that expenditures shown below from the Compensation Insurance Fund do not include benefit payments to State employees because the State is self-funded. The expenditures shown are benefits paid from funding provided through insurance premiums and therefore are not true State costs.

WORKING CAPITAL AND REVOLVING FUNDS

Working Capital and Revolving Funds are used to account for the internal service activities rendered by a State agency to other State agencies or to local governments. Activities which are accounted through Working Capital and Revolving Funds include centralized purchasing for stores, consolidated data center services, printing, architectural services, manufacturing, surplus money investment, payroll disbursement, automotive management, and building operations.

Working Capital and Revolving Funds differ from the Public Service Enterprise Funds, which render services primarily to the general public. To the extent that services are provided to other State agencies, expenditures shown in Working Capital and Revolving Funds are duplicative of expenditures shown in the agencies.

BOND FUNDS

Bond Funds are used to account for the receipt and disbursement of bond proceeds. They do not account for bond retirement since the liability created by the sale of bonds is not a liability of these funds. Bonds are retired and the interest obligations thereon are paid through the provisions specified in the bond act.

Bond Funds related to a public service enterprise are included in the Public Service Enterprise Fund classification.

RETIREMENT FUNDS

Retirement Funds are used to account for employer and member contributions received by various retirement systems, the investment of these moneys, annuity payments, refunds to members, and other receipts and disbursements. The amounts shown below reflect both administrative costs and benefits paid to annuitants. For the Public Employees' Retirement Fund and the Teachers' Retirement Fund, funding includes non-state sources and expenditures therefrom are not true State costs. Also, costs funded from amounts transferred into these funds from other State agencies are duplicative of expenditures shown in the agencies.

OTHER NONGOVERNMENTAL COST FUNDS

For selected programs, the State budget has traditionally included funding provided by county funds and university funds for informational purposes. Because of inclusion in the budget, these expenditures are shown in Schedule 2. The balance of funds shown in this classification are for Trust and Agency Funds which are used to account for moneys and properties that are received from other than Federal sources and which are held and disbursed from the State Treasury by the State as trustee or custodian.

The following provides detail for the significant funds and amounts which comprise the various categories of Nongovernmental Cost Funds:

Funds	1997-98* Amount	1998-99* Amount	1999-00* Amount
PUBLIC SERVICE ENTERPRISE FUNDS			
Housing Finance Fund, California.....	13,036	15,120	15,120
Water Resources Development Bond Fund.....	363,205	327,046	357,604
Central Valley Water Project Const Fund.....	81,828	126,782	126,271
Central Valley Water Project Revenue Fd.....	231,504	236,863	240,256
Expo & State Fair Enterprise Fund, Cal	12,366	-	0
Compensation Insurance Fund	1,517,679	1,582,639	1,661,771
Employment Training Fund	117,731	84,190	100,147
Harbors and Watercraft Revolving Fund	61,799	64,075	52,042
Univ Continuing Education Revenue Ed, St	120,093	123,359	123,359
Univ Dormitory Revenue Fd, Calif State	70,466	78,995	78,995
University Parking Revenue Fund, State.....	34,868	43,728	43,728
Unemployment Compensation Disability Fd.....	1,759,656	1,776,389	1,810,812
Veterans Farm & Home Building Fund 1,943.....	267,246	259,863	259,881
*TOTAL PUBLIC SERVICE ENTERPRISE FUNDS	\$4,663,856	\$4,739,572	\$4,891,662
WORKING CAPITAL AND REVOLVING FUNDS			
Protective Services Fund.....	\$26,083	\$26,014	\$25,061
Architecture Revolving Fund.....	20,263	24,611	24,788
Child Care Facilities Revolving Fund -	25,000	25,000	4,880
Health & Welfare Agency Data Cent Rev Fd	250,865	238,892	250,621
Mobilehome Manufactured Home Revolv Fd.....	15,161	16,301	17,131
Public Buildings Construction Fund	77,162	314,439	461,382
Service Revolving Fund.....	399,988	397,536	442,291
Stephen P Teale Data Center Revolv Fd	76,115	83,506	85,206
*TOTAL WORKING CAPITAL AND REVOLVING FUNDS.....	\$830,043	\$1,136,756	\$1,317,306
BOND FUNDS--OTHER			
School Building Aid Fund, State.....	\$16,645	\$33,764	\$32,954
*TOTAL BOND FUNDS--OTHER	\$16,645	\$33,764	\$32,954
RETIREMENT FUNDS			
Judges Retirement Fund.....	\$77,698	\$88,127	\$92,691
Public Employees' Retirement Fund	4,615,591	4,974,526	5,329,241
Teachers Retirement Fund.....	3,250,511	3,588,863	4,007,170
*TOTAL RETIREMENT FUNDS.....	\$7,950,799	\$8,659,128	\$9,436,731

Funds	1997-98* Amount	1998-99* Amount	1999-00* Amount
OTHER NONGOVERNMENTAL COST FUNDS			
Emerg Serv & Supplemental Payments Fund	\$442,744	\$440,821	\$439,730
Lottery Education Fund, Calif State	709,093	900,033	933,965
Flexelect Benefit Fund	14,009	15,837	15,842
Public Employees' Health Care Fund	347,184	382,039	412,847
Medi-Cal Inpatient Pymt Adjustment Fund.....	1,205,576	1,162,437	1,345,132
University Lottery Education Fund, Cal S	34,580	29,800	29,800
School Employees Fund.....	31,430	32,520	33,469
Inmate Welfare Fund.....	39,188	41,924	45,412
Forest Resources Improvement Fund.....	14,467	6,542	12,917
Trial Court Trust Fund.....	689,606	923,239	915,531
Special Deposit Fund	10,371	11,175	11,911
Guaranteed Loan Reserve Fund, State.....	502,284	291,741	291,736
Local Property Tax Revenues	10,560,409	10,766,862	11,324,664
Toll Bridge Funds, Consolidated	104,116	11,210	5,110
Various Other Unallocated NGC Funds.....	376	13,006	98,819
Higher Education Fees and Income- UC/CC	1,065,341	1,093,327	1,126,930
University Funds--Unclassified.....	4,596,481	4,588,796	4,791,340
Other Unclassified Funds.....	1,185,387	817,606	862,481
*TOTAL OTHER NONGOVERNMENTAL COST FUNDS	\$21,604,749	\$21,539,077	\$22,743,462
TOTAL.....	\$35,066,092	\$36,108,297	\$38,422,115

**TOTAL STATE SPENDING PLAN—PART C
REIMBURSEMENTS**

Funds	1997-98* Amount	1998-99* Amount	1999-00* Amount
REIMBURSEMENTS.....	\$4,369,830	\$5,313,367	\$5,886,326

* Dollars in thousands.